

Advisory Opinion

IECDB AO 2008-17

October 23, 2008

TO ALL INTERESTED PERSONS:

Pursuant to Iowa Code section 68B.32A(11) and rule 351—1.2, the Iowa Ethics and Campaign Disclosure Board issues this opinion on family farm corporations being prohibited from making campaign contributions. We note at the outset that the Board's jurisdiction is limited to the application of Iowa Code chapters 68A and 68B, Iowa Code section 8.7, and rules in Iowa Administrative Code chapter 351. Advice in a Board opinion, if followed, constitutes a defense to a subsequent complaint based on the same facts and circumstances.

OPINION:

The issue has been raised whether a family farm corporation is permitted to make contributions to candidates, state parties, or political committees advocating for or against candidates.

This has been an area of confusion for several years and the Board's staff has administered different applications of the law. Iowa Code section 68A.503 prohibits corporations, insurance companies, and financial institutions from making contributions to candidates, state parties, and political committees that advocate for or against candidates.¹ Iowa Code section 68A.406(1)"b" permits the placement of campaign signs on "agricultural land owned...by a family farm operation as defined in section 9H.1, subsections 8, 9, 10."

While the placement of campaign signs is permitted under Iowa Code section 68A.406, we do not find an exception in Iowa Code section 68A.503 for a family farm corporation to make campaign contributions to candidates, state parties, or political committees that advocate for or against candidates.

BY DIRECTION AND VOTE OF THE BOARD

James Albert, Board Chair

Janet Carl, Vice Chair

Gerald Sullivan

Betsy Roe

John Walsh

Patricia Harper

Submitted by: W. Charles Smithson, Board Legal Counsel

¹ Such entities are permitted to make contributions to political committees advocating for or against ballot issues.